Rational Secret Sharing and Multiparty Computation: Extended Abstract

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ABSTRACT

We consider the problems of secret sharing and multiparty computation, assuming that agents prefer to get the secret (resp., function value) to not getting it, and secondarily, prefer that as few as possible of the other agents get it. We show that, under these assumptions, neither secret sharing nor multiparty function computation is possible using a mechanism that has a fixed running time. However, we show that both are possible using randomized mechanisms with constant expected running time.

Categories and Subject Descriptors

F.1.1 [**Computation by Abstract Devices**]: Models of Computation; F.m [**Theory of Computation, Miscellaneous**]

General Terms

Economics, Theory

Keywords

Game Theory, secret sharing, multiparty computation, iterated deletion of weakly dominated strategies, non-cooperative computing

1. INTRODUCTION

Secret sharing is one of the main building blocks in the modern cryptographic literature. Shamir's secret-sharing

scheme [18] allows someone to share a secret s (a natural number) among n other agents, so that any m of them may reconstruct it. The idea is simple: agent 0, who wants to share the secret, chooses an $m-1$ degree polynomial f such that $f(0) = s$, and tells agent i $f(i)$, for $i = 1, \ldots, n$; $f(i)$ is agent i's "share" of the secret. Any m of agents $1, \ldots, n$ can recover the secret by reconstructing the polynomial (using Lagrange interpolation). However, any subset of size less than m has no idea what the secret is.

The story underlying this protocol is that, of the n agents, at most $n - m$ are "bad". While the bad agents might not cooperate, the good agents will follow the protocol and pool their shares of the secret. The protocol guarantees that the bad agents cannot stop the good agents from reconstructing the secret. While for some applications it makes sense to consider "good" agents and "bad" agents, for other applications it may make more sense to view the agents, not as good or bad, but as rational individuals trying to maximize their own utility. The agents have certain preferences over outcomes and can be expected to follow the protocol if and only if doing so increases their expected utility.

As we show, if we make rather minimal assumptions about the preferences of the agents, and further assume that the way agents pool their shares of the secret is by (simultaneously) broadcasting a message with their share, then there is a problem with Shamir's secret-sharing scheme: rational agents will simply not broadcast their shares. Suppose that each of the agents would prefer getting the secret to not getting it; a secondary preference is that the fewer of the other agents that get it, the better. It is then not hard to see that no agent has any incentive to broadcast his or her share of the secret. Consider agent 1's situation: either $m-1$ other agents broadcast their share, or they do not. If they do, then agent 1 can reconstruct the secret; if not, she cannot. Whether or not she sends her share does not affect whether others send theirs (since all the broadcasts are supposed to happen simultaneously). Moreover, if only $m-1$ other agents broadcast their shares, then sending her share will enable others to figure out the secret. So if she does not send her share in this circumstance, then she will be able to figure out the secret (her share combined with the $m-1$ others will suffice), while no one who sent their share will. Thus, in game-theoretic terminology, not sending her share *weakly dominates* sending her share. Intuitively, there is no good reason for her to send her share. Thus, rational agents running Shamir's protocol will not send any messages.

Our first result shows that this problem is not confined

to Shamir's protocol. Roughly speaking, we show that, for any mechanism[1] for shared-secret reconstruction with a commonly known upper bound on the running time, repeatedly deleting all weakly-dominated strategies results in a strategy that is equivalent to each agent doing nothing. Roughly speaking, we argue that no agents will send a message in the last round, since they have no incentive to do so. Then we proceed by backward induction to show that no agents will send a message k rounds before the end, for each k. (The actual backward induction process is more subtle, since we have to argue that, at each step in the deletion process, enough strategies have not been deleted to show that a strategy we would like to delete is in fact dominated by another strategy.) Readers familiar with repeated prisoners' dilemma will recognize that the argument is similar in spirit to the argument that shows that rational agents will always defect in repeated prisoners' dilemma where the number of repetitions is commonly known. In contrast to this impossibility result, we show that there is a randomized secret-sharing mechanism for rational agents, where the recommended strategy is a Nash equilibrium that survives iterated deletion of weakly-dominated strategies.

We next consider multiparty computation. In the traditional multiparty computation problem, there is a set of participants, each of whom has a secret input. The aim of the protocol is to compute some function of these inputs without revealing any information other than the function's output, just as if a trusted party had performed the computations on the agents' behalf. For example, the secrets could be each person's net worth and the function would return who is richest. The protocol should compute this without revealing any other information about the participants' wealth. (This example is known as the *millionaire's problem*, and was first discussed by Yao [20].) Again, it is assumed that some of the parties may be "bad", usually less than $1/3$ or $1/2$ of the total participants, depending on assumptions [1, 5, 6, 12, 13, 20]. Everyone else is assumed to be good and to execute the protocol exactly as instructed.

As in the case of secret sharing, we would like to consider what happens if the parties are all trying to maximize their utility, rather than being "bad" and "good". A number of new subtleties arise in multiparty computation. As is well known [12, Section 7.2.3], there is no way to force parties to participate in a protocol. We deal with this problem by assuming that the parties' utilities are such that it is in their interest to participate if the protocol is run correctly. A more serious problem is that there is no way to force a party to the protocol to use their "true" input. A party can correctly run the protocol using an arbitrary input, which may not necessarily be the same as its true input. For example, suppose that each agent has a private bit and the goal is to compute the exclusive or of the bits. If agent 1 lies about her bit and everyone else tells the truth, then agent 1 will be able to compute the true exclusive or from the information provided by the trusted party, while no one else will. In some cases, if there is a trusted party, it may make sense to assume that everyone will truthfully reveal private information. For example, suppose that there is a vote, where the candidate with the most votes wins. In this case, almost by definition, what someone says her vote is is her actual vote. By way of contrast, consider a senator

trying to determine whether a bill will pass by asking other senators how they intend to vote. Then there clearly may be a difference between how senators say they will vote and how they actually vote.

Shoham and Tennenholtz [19] characterize which Boolean functions can be computed by rational agents with a trusted party. In their model, each agent has a secret input, and everyone is trying to compute some function of the inputs. There is a trusted party who waits to be told each player's input, then computes the value of the function and tells all players. Every agent's first priority is to learn the true value of the function; the second priority is to prevent the others from doing so. Agents may refuse to participate, or they may lie to the trusted party about their value. They call functions for which it is an equilibrium to tell the truth *non-cooperatively computable* (NCC).

Our interest here is in which functions can be computed without a trusted party. We show that there is no mechanism with a commonly-known upper bound on running time for the multiparty computation of any nonconstant function. This result is of particular interest since all the standard multiparty computation protocols do have a commonly-known upper bound on running time [1, 5, 6, 12, 13, 20]. The result also applies to protocols for the fair exchange of secrets, which is a particularly appropriate case for assuming the parties are both selfish. Again all the protocols we could find have a commonly-known upper bound on the running time [2, 3, 7, 8, 9, 14]. As in the case of secret sharing, we also have a positive result for multiparty computation. There are multiparty computation protocols (e.g., [13]) that use secret sharing as a building block. By essentially replacing their use of deterministic secret-sharing by our randomized secret-sharing protocol, we show that for all NCC functions, we can find a multiparty computation mechanism where the recommended strategy is a Nash equilibrium that survives iterated deletion of weakly-dominated strategies. These results can be viewed as steps in the program advocated in [11] of unifying the strategic model and computational model in distributed algorithmic mechanism design. Our work is related to [15], but uses a different solution concept.

The rest of this paper is organized as follows. In Section 2 we give the relevant background on Nash equilibrium, iterated deletion of weakly dominated strategies, and mechanisms. In Section 3 we consider secret sharing, sketch the proof of the impossibility result, and give the randomized secret-sharing mechanism. In Section 4, we consider multiparty computation. We conclude in Section 5 with some open problems.

2. NASH EQUILIBRIUM, ITERATED DELETION, AND MECHANISMS

We adapt the standard definition of game trees from the game theory literature slightly for our purposes. A game Γ for n players is described by a (possibly infinite) forest of nodes. Intuitively, the root nodes of the forest describe the possible initial situations in the game, and the later nodes describe the results of the players' moves. We assume that there is a probability distribution over the root nodes; this can be thought of as a distribution over possible initial situations. We assume that at each step, a player receives all the messages that were sent to it by other players at the previous step, performs some computation, then sends some

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[1] A mechanism can be thought of as a recommended protocol for agents to follow, from which they may defect.

messages (possibly none). Thus, we are implicitly assuming that the system is synchronous (players know the time and must decide what messages to send in each round before receiving any messages sent to them in that round), communication is guaranteed, and messages take exactly one round to arrive. These assumptions are critical to the correctness of the algorithms we present; we believe that rational secret sharing and multiparty computation are impossible in an asynchronous setting, or a setting where there is no upper bound on message delivery time. At each node, each player has a *local state* that describes its history, that is, the sequence of computations performed, messages sent, and messages received, and when each of these events happened and encodes its utility function. Associated with each *run* (i.e., path in the forest that starts at a root and is either infinite or ends in a leaf) is a tuple $(u_1, \ldots, u_n)$ of real-valued utilities; intuitively, u_i is player i's utility if that path is played. Typically utilities are associated with leaves of game trees. For finite trees, we can identify the utility of a run with the utility of its leaf. Note that we need to consider infinite runs since a randomized mechanism may not terminate.

Although it is standard in game theory to assume that exactly one player moves at each node, we implicitly assume that at each step all the players move. In game theory, for each player i, the nodes are partitioned into *information sets*. The nodes in an information set of player i are, intuitively, nodes that player i cannot tell apart. Although we do not explicitly use information sets here, they are easy to define: player i's information set at a node v consists of all the nodes v' where she has the same local state. With this choice of information sets, it follows that each player i has *perfect recall*, since she remembers all her previous information sets and her actions.

A *strategy* or *protocol* for player i is a (possibly randomized) function from player i's local states to actions. (In the game theory literature, a strategy is a function from information sets to actions. Since we are identifying local states with information sets, our usage of the term strategy is equivalent to the standard game theory usage.) A *joint strategy* $\vec{\sigma} = (\sigma_1, \ldots, \sigma_n)$ is a tuple of strategies, one for each player. Note that a joint strategy determines a distribution over runs, which in turn determines an expected utility for each player. Let $U_i(\vec{\sigma})$ denote player i's expected utility if $\vec{\sigma}$ is played.

We use the notation $\vec{\sigma}_{-i}$ to denote a tuple consisting of each player's strategy in $\vec{\sigma}$ other than player i's. We then sometimes abuse notation slightly and write $(\vec{\sigma}_{-i}, \sigma_i)$ for $\vec{\sigma}$. A joint strategy $\vec{\sigma}$ is a *Nash equilibrium* if no player has any incentive to do anything different, given what the other players are doing. More formally, $\vec{\sigma}$ is a Nash equilibrium if, for all players i and strategies σ_i' of player i, $U_i(\vec{\sigma}_{-i}, \sigma_i) \geq U_i(\vec{\sigma}_{-i}, \sigma_i')$.

Although Nash equilibrium is a useful concept, there are many Nash equilibria that, in some sense, are unreasonable. As a consequence, many refinements of Nash equilibrium have been considered in the game theory literature; these are attempts to identify the "good" Nash equilibria of a game (see, e.g., [17]). We focus here on one particular refinement of Nash equilibrium that is determined by iterated deletion of weakly-dominated strategies. Intuitively, we do not want a Nash equilibrium where some player uses a strategy that is weakly dominated. This intuition is well illustrated with m out of n secret sharing, with $m < n$. It is a Nash equilibrium

for each player to send its share. Nevertheless, although a player does not do better by not sending her share if all other players send their share (since everyone will still know the secret), a player does no worse by not sending her share, and there are situations where she might do better.

Formally, if $\mathcal{S}_j$ is a set of strategies for player j, $j = 1, \ldots, n$, we say that a strategy $\sigma \in \mathcal{S}_i$ is *weakly dominated* by $\tau \in \mathcal{S}_i$ with respect to $\mathcal{S}_{-i}$ if, for some strategy $\vec{\sigma}_{-i} \in \mathcal{S}_{-i}$, we have $U_i(\vec{\sigma}_{-i}, \sigma) < U_i(\vec{\sigma}_{-i}, \tau)$ and, for all strategies $\vec{\sigma}'_{-i} \in \mathcal{S}_{-i}$, we have $U_i(\vec{\sigma}'_{-i}, \sigma) \leq U_i(\vec{\sigma}'_{-i}, \tau)$. Thus, if σ is weakly dominated by τ with respect to $\mathcal{S}_{-i}$ then player i should intuitively always prefer τ to σ, since i always does at least as well with τ as with σ, and sometimes does better (given that we restrict to strategies in $\mathcal{S}_{-i}$). Strategy $\sigma \in \mathcal{S}_i$ is weakly dominated with respect to $\mathcal{S}_1 \times \cdots \times \mathcal{S}_n$ if there is some strategy $\tau \in \mathcal{S}_i$ that weakly dominates σ with respect to $\mathcal{S}_{-i}$.

Let $DOM_i(\mathcal{S}_1 \times \ldots \times \mathcal{S}_n)$ consist of all strategies for player i that are weakly dominated with respect to $\mathcal{S}_1 \times \ldots \times \mathcal{S}_n$. Given a game Γ, let $\mathcal{S}_i^0$ consist of all strategies for player i in Γ. Assume that we have defined $\mathcal{S}_i^k$, for $i = 1, \ldots, n$, where $\mathcal{S}_i^k$ consists of those strategies for player i that survive k rounds of iterated deletion. Let $\mathcal{S}_i^{k+1} = \mathcal{S}_i^k - DOM_i(\mathcal{S}_1^k \times \ldots \times \mathcal{S}_n^k)$. Let $\mathcal{S}_i^\infty = \cap_k \mathcal{S}_i^k$. Thus, $\mathcal{S}_i^\infty$ consists of all those strategies for i that survive (an arbitrary number of rounds of) iterated deletion of weakly-dominated strategies.

Note that we are requiring that all weakly-dominated strategies are deleted at each step. If we allow an arbitrary subset of weakly-dominated strategies to be deleted at each step, then which strategies survive iterated deletion is quite sensitive to exactly which strategies are deleted at each step. Deleting all possible strategies at each step is not only the most natural approach, but the only one consistent with the intuitions underlying iterated deletion [4].

We take a *mechanism* to be a pair $(\Gamma, \vec{\sigma})$ consisting of a game and a joint strategy for that game. Intuitively, a mechanism designer designs the game Γ and recommends that player i follow σ_i in that game. The expectation is that a "good" outcome will arise if all the players play the recommended strategy in the game. Designing a mechanism essentially amounts to designing a protocol; the recommended strategy is the protocol, and the game is defined by all possible deviations from the protocol. $(\Gamma, \vec{\sigma})$ is a *practical mechanism* if $\vec{\sigma}$ is a Nash equilibrium of the game Γ that survives iterated deletion of weakly-dominated strategies.

3. SECRET SHARING

In this section, we prove that there is no practical mechanism for secret sharing with a commonly-known bound on its running time, provided we make some reasonable assumptions about the preferences of players, and then show that, under the same assumptions, there is a randomized practical mechanism for secret sharing that has constant expected running time.

3.1 The Impossibility Result

In this section, we assume for simplicity that there is a share "issuer" that can issue secret shares that are atomic and cannot be subdivided. The issuer authenticates the shares, so a player cannot substitute a false share for its true one. We assume that the utility of a run of a mechanism depends only on which players can compute the secret. Formally, given a run r in the game tree, let $info(r)$ be a tu-

ple $(s_0, \ldots, s_n)$, where s_i is 1 if player i learns the secret in r, and is 0 otherwise; let $info_i(r) = s_i$. The following assumption says that player i's utility depends just on the information that each of the players get:

U1. $u_i(r) = u_i(r')$ if $info(r) = info(r')$.

The atomicity assumption implicit in U1 is dropped in Section 4.1, where the utility of a run is allowed to depend on whatever partial information the players have. Note that even in this section we allow the issuer to issue a sequence of shares. That is, player i receives shares $h_{i1}, \ldots, h_{iN}$, and if i has m of the shares of the form $h_{jN'}$ for some $N' \in \{1, \ldots, N\}$, then i can compute the secret. If, for all $N' \in \{1, \ldots, N\}$, i has fewer than m shares of this form, then i cannot compute the secret.

The next two requirements encode the assumption that each player prefers getting the secret to not getting it, and prefers that fewer of the others get it.

U2. If $info_i(r) = 1$ and $info_i(r') = 0$, then $u_i(r) > u_i(r')$.

U3. If $info_i(r) = info_i(r')$, $info_j(r) \leq info_j(r')$ for all $j \neq i$, and there is some j such that $info_j(r) < info_j(r')$, then $u_i(r) > u_i(r')$.

Suppose that in run r the players in P learn the secret, while in run r' the players in P' learn the secret, where either $i \in P \cap P'$ or $i \notin P \cup P'$. While it follows from U3 that $u_i(r) \geq u_i(r')$ if $P \subseteq P'$, we make no assumptions about the relative utility to i of r and r' if $|P| \geq |P'|$. It could be, for example, that there is some particular player j such that i particularly does not want j to learn the secret.

THEOREM 3.1. *If players' utilities satisfy U1–U3, then there is no practical mechanism $(\Gamma, \vec{\sigma}^*)$ for m out of n secret sharing such that Γ is finite and, using $\vec{\sigma}^*$, some player learns the secret.*

The basic idea of the proof is just the backward induction suggested in the introduction. Given a mechanism $M = (\Gamma, \vec{\sigma}^*)$ for m out of n secret sharing, say that a strategy σ_i for player i *reveals useful information at a node v* in the game tree for Γ if (a) v is reachable with σ_i (that is, there is some strategy $\vec{\sigma}_{-i}$ for the other players such that $(\vec{\sigma}_{-i}, \sigma_i)$ reaches v with positive probability), and (b) according to strategy σ_i, at v, with positive probability player i sends some other player j such that i does not know j already has m shares a share of the secret that i does not know that j already has. Note that here and elsewhere, when describing the strategies, we often use phrases such as "player i knows P" for some proposition P. Player i knows P at a node v in a game tree if at all nodes v' in the game tree where i has the same local state, P is true. (This usage is consistent with the standard usage of knowledge in distributed systems [10].) Typically, these statements about knowledge reduce to concrete statements about messages being sent and received. For example, $i \neq j$ knows that j has k's share of the secret if and only if

- $j = k$, or
- i has sent k's share to j, or
- i has received k's share from j, or

- i has received a message containing k's share signed with j's unforgeable signature.

With regard to the last point, note that we allow the possibility of protocols that make use of unforgeable signatures. (It would actually considerably improve the argument if we did not allow them.) Given a node v in the game tree of Γ, define $round(v) = h$ if there is a path of length h from v to a leaf in the game tree and there are no paths of length $h + 1$ from v to a leaf in the game tree. Thus, $round(v) = 0$ if v is a leaf, and $round(v) = \infty$ if there is an infinite path starting at v.

Let $\mathcal{B}_i^h$ consist of all strategies for player i in game Γ that reveal useful information at a node v such that $round(v) = h$. (Note that if Γ has no finite paths, then $\mathcal{B}_i^h = \emptyset$.) Recall from Section 2 that $\mathcal{S}_i^h$ consists of the strategies for player i that survive h rounds of iterated deletion (so that $\mathcal{S}_i^0$ consists of all strategies for player i). Let $\mathcal{R}_i^0 = \mathcal{S}_i^0$, and let $\mathcal{R}_i^h = \mathcal{R}_i^0 - \cup_{i=0}^{h-1}(\mathcal{B}_i^h)$. The backward induction argument would suggest that, if the game tree for Γ is finite, then $\mathcal{S}_i^h = \mathcal{R}_i^h$. That is, the strategies that survive h rounds of iterated deletion in finite games are precisely those in which no useful information is revealed in the last h rounds. While this is essentially true, it is not as obvious as it might first appear.

For one thing, while it is easy to see that all strategies in $\mathcal{B}_i^1$ are weakly dominated—i cannot be better off by revealing information in the last round—these are not the only weakly-dominated strategies. Characterizing the weakly-dominated strategies is nontrivial. Even ignoring this problem, consider how the argument that all strategies in $\mathcal{B}_i^h$ are weakly dominated with respect to the strategies that remain after h rounds of iterated deletion might go. Let $\sigma_i \in \mathcal{B}_i^h$, so that, with positive probability, i reaches a node v in Γ that is no more than h rounds from the end of the game where i reveals useful information. Since σ_i has not been deleted earlier, we would expect that i does not reveal useful information at later rounds, nor do any of the undeleted strategies for the other players. We would further expect that σ_i would be weakly dominated by the strategy σ_i' that is identical to σ_i except that at the node v and all nodes below v, according to σ_i', i sends no message (and thus reveals no useful information). It is easy to see that i is no worse off using σ_i' than σ_i—there is no advantage to i in revealing useful information when no other player will reveal useful information as a result of getting i's information. However, to show that σ_i' weakly dominates σ_i, we must show that σ_i' is not itself deleted earlier, and that there is some strategy $\vec{\sigma}_{-i}$ for the other players that was not deleted earlier such that $U_i(\sigma_i, \vec{\sigma}_{-i}) < U_i(\sigma_i', \vec{\sigma}_{-i})$. Intuitively, $\vec{\sigma}_{-i}$ should be such that $m - 2$ other players send their shares at the same time as i, so that with i's share, everyone can figure out the secret but without it, they cannot. While this intuition is indeed correct, showing that all the relevant strategies survive h rounds of iterated deletion turns out to be surprisingly difficult. In fact, it seems that we need an almost complete characterization of which strategies are deleted and when they are deleted in order to prove the result. We now provide that characterization.

Besides "player i knows P", the strategy descriptions involve phrases such as "player i considers P possible", "player i tells j that he knows m shares", "player i can prove to j that he (player i) knows m shares", and "player i can prove to j that k knows m shares". Possibility is the dual of knowledge, so that player i considers P possible if player i does

not know ¬P. Player i tells j P or proves P to j at node v if i sends j messages that guarantee that, at the node after v, j knows P. For example, player i can prove to j that k knows m shares if i can send to j messages signed with k's unforgeable signature containing $m-1$ shares other than k's share.

Consider the following families of strategies for player i. Intuitively, these are families of strategies that are deleted in the iterated deletion procedure. To simplify the description of these strategies, we write "[. . .]" as an abbreviation of "there is a strategy for the other players such that a node v is reached with positive probability and, at v,". We also assume for ease of exposition that secrets are shared just once. This is relevant because in the mechanism we present in Section 3.2, secrets may be shared multiple times. If we consider a sequence of secret sharings, then rather than saying something like "player i does not know that player j has $m-1$ shares", we would have to say "player i does not know that player j has $m-1$ shares of a particular sharing of the secret".

- Let $\mathcal{A}_i^1$ consist of all strategies for player i such that [. . .] i has m shares, i does not know that all the other players have all m shares, and, with positive probability, i sends each of the other players enough shares so that, after sending, i will know that they all have m shares. (Intuitively, if i already knows the secret, there is no advantage in i making sure that everyone knows the secret.)

- If $m = n$, let $(\mathcal{A}_i^1)'$ consist of all strategies for player i such that [. . .] i has all m shares and, with positive probability, i sends out its share to some player, although i has never previously sent out its share to any player; if $m \neq n$, then $(\mathcal{A}_i^1)' = \emptyset$. (Intuitively, if i knows the secret, and it has information—namely, its own share—which it has not revealed that is critical to everyone else learning the secret, then i should not send out this information. Note that i's share is not critical to others learning the secret if $m \neq n$, so this condition is vacuous if $m \neq n$.)

- If $m = n = 2$, let $\mathcal{A}_i^2$ consist of all strategies for player i such that [...] i sends its share to the other player.

  If $m = n = 3$, let $\mathcal{A}_i^2$ consist of all strategies for player i such that [. . .] i has all three shares, i considers it possible that some other player j has only its own share, i knows that the third player k has all three shares, and, with positive probability, either

  (a) i sends j either i's share or k's share, or

  (b) i does not know that k knows that i has all three shares and does not tell k that it has all three shares.

  (Intuitively, if i knows that the only player missing the secret is j, then it should try to do what it can to stop j from getting the secret. This includes not sending j information and making sure that that the third player k knows the situation, so that k will not send j information.)

  If $m = 3$ and $n = 4$, let $\mathcal{A}_i^2$ consist of all strategies for player i such that [. . .] there exist players j, k, l such that the utility to i if i, j, and k learn the secret

is no higher than the utility to i if i, j, and l learn the secret, i knows that everyone knows that everyone has k's share and l's share, i considers it possible that k and l lack both i's share and j's share, and, with positive probability, i sends its share or j's share to player k. (Intuitively, if i has the secret and knows that j knows the secret, but considers it possible that both k and l are missing shares, it should not guarantee that k learns the secret if k learning the secret is at least as bad as l learning the secret. While this intuition seems very reasonable, note that it applies only if i knows that k and l are missing at most one share.)

  If $m = n = 4$, let $\mathcal{A}_i^2$ consist of all strategies for player i such that [. . .] there exist players j, k, l such that the utility to i if i, j, and k learn the secret is no higher than the utility to i if i, j, and l learn the secret, i has all four shares, i knows that j has all four shares, and that everyone knows that everyone has all the shares other than possibly i's, i considers it possible that k and l both lack i's share, and, with positive probability, i sends its share to player k. (The intuition here is the same as in the $m = 3$, $n = 4$ case, but again, note that it applies only in quite restricted circumstances.)

  Otherwise, $\mathcal{A}_i^2 = \emptyset$.

- Let $(\mathcal{A}_i^2)'$ consist of all strategies for player i such that [. . .] i has m shares, i considers it possible that j does not have all m shares, i knows that j has $m-1$ shares and i can prove this to all the other players, i knows that all players $k \neq j$ have m shares and can prove this to each player $k' \notin \{i, j, k\}$, and, with positive probability, i does not prove to each player $k \neq j$ that each player $k' \notin \{j, k\}$ has m shares and that j has $m-1$ shares. (The intuition here is much as that for $\mathcal{A}_i^2$ in the case $m = n = 3$: if i knows that all but one player has the secret, it should do what it can to prevent that player from getting the secret, which includes making sure that the other players know the situation.)

- If $m = n = 3$, let $\mathcal{A}_i^3$ consist of all strategies for player i such that [. . .] i has all three shares, i considers it possible that some player j does not have all three shares, and, with positive probability, reaches a node v' at the next step such that i knows at v' that the third player k will eventually know all three shares, and either

  (a) in getting from v to v', i sends j a share that i does not know at v that j has;

  (b) i does not know at v' that k has all three shares; or

  (c) i does not know at v' that k knows that i has all three shares.

(The situation here is similar to that in the $m = n = 3$ case of $\mathcal{A}_i^2$, except that now, rather than i knowing at v that k has all three shares, i knows only that, with positive probability, k will have all three shares. If i knows that k will eventually have all three shares, then i might as well tell k all three shares right away, and also tell k that i has all three shares. This will prevent k from sending j information.)

If $m = 3$ and $n = 4$, let $\mathcal{A}_i^3$ consist of two sets of strategies:

(1) All strategies for player i such that $[\dots]$ there exist players j, k, l such that i knows that j is indifferent as to whether i, j, and k or i j, and l learn the secret, i knows that j has k's share and l's share, i knows that everyone (except possibly j) knows that everyone has k and l's shares and can prove this to j, i considers it possible that k and l lack both i's share and j's share, and, with positive probability, i either

  (a) sends its share or j's share to k or l, or

  (b) does not prove to j that everyone knows that everyone has k and l's shares.

(The situation here is the same as that in the $m = 3$, $n = 4$ case of $\mathcal{A}_i^2$, except that i does not necessarily know that j knows that everyone has k and l's shares. By sending the messages, i can ensure that the antecedent of $\mathcal{A}_j^2$ holds, so that j will not send messages to k.)

(2) All strategies for player i such that $[\dots]$ there exist players j, k, l such that i knows that the utility to j if i, j, and k learn the secret is no greater than the utility to j if i, j, and l learn the secret, i knows that j knows that everyone knows that everyone has k and l's shares, i considers it possible that k and l lack both i's share and j's share, and, with positive probability, i sends its share or j's share to l. (Here, i knows that j will not send useful information to k, because that would be in $\mathcal{A}_j^2$. Hence sending a third share to l produces the worst possible outcome for i.)

If $m = n = 4$, let $\mathcal{A}_i^3$ consist of all strategies for player i such that $[\dots]$ there exist players j, k, l such that the utility to i if i, j, and k learn the secret is no higher than the utility to i if i, j, and l learn the secret, i has all four shares, i considers it possible that k and l both lack j's share, with positive probability, i reaches a node v' at the next step such that, at v', i knows that eventually j will both know all four shares and that everyone knows that everyone has all shares except possibly j's, but either

  (a) at v', i does not ensure that j knows these facts, or

  (b) in getting from v to v', i sends j's share to k.

(The situation here is much like the antecedent of the $m = n = 4$ case of $\mathcal{A}_i^2$, except that i does not know at v that j has all four shares or that j knows that everyone has the two shares other than j's; however, i does know that, with positive probability, this will eventually be the case. Intuitively, if it eventually is going to be the case, then i should make it happen as quickly as possible, since then the antecedent to $\mathcal{A}_j^2$ will hold, and j will not send messages to k.)

If $m = 2$ or $n > 4$, then $\mathcal{A}_i^3 = \emptyset$.

- Let $(\mathcal{A}_i^3)''$ consist of all strategies for player i such that $[\dots]$ i has m shares, i considers it possible that some player j does not have all m shares, i knows that j has $m - 1$ shares and i can prove this to all the other players, i knows that all players $k \neq j$ have m

shares and there is a player $k' \notin \{i, j\}$ such that for all $k \notin \{i, j, k'\}$, i can prove to each player $k'' \notin \{i, j, k\}$ that k has m shares, i considers it possible that there is at least one player who does not know that all players except j have m shares and that j has $m - 1$ shares, and, with positive probability, i does not provide k' with evidence that it can use to prove to everyone else that it (k') knows that each player $k \notin \{j, k'\}$ has m shares and that j has $m - 1$ shares or there exists a player $l' \notin \{i, j, k'\}$ such that i can prove to l' that all players have m shares, except possibly j who has $m - 1$, i considers it possible that l' does not already know this fact, and i does not prove it to l'. (The situation here is that i knows that everyone has the secret but j, and j only needs one share to get the secret. In that case, i should make everyone else aware of the situation, as quickly as possible.)

- If $m = n = 3$, let $(\mathcal{A}_i^3)'''$ consist of all strategies for player i such that $[\dots]$ i has j's share but not k's, j has i's share, i does not know both that k has all three shares and that k knows that j has i's share, and i sends messages to k that ensure that k has all three shares and that k knows that j has i's share. (Intuitively, i should not send information to k that might prevent k from later sending useful information to i.)

  If $n > 3$ or $m \neq n$, then $(\mathcal{A}_i^3)''' = \emptyset$.

- Let $\mathcal{C}_i^h$, consist of all strategies for i such that $[\dots]$ (a) $\text{round}(v) = h$, (b) i knows m shares, (c) if $m = n$, i has sent out its share earlier, and (d) with positive probability, i reaches a node v' at the next step such that there exists a player j such that i knows at v' that all the players but j know m shares, in going from v to v', i sends j a share that i does not know at v that j has, and i sends no useful information at any node v'' with $\text{round}(v'') > h$.

- Let $\mathcal{D}_i^h$ consist of all strategies for i such that $[\dots]$ (a) $\text{round}(v) = h$, (b) i knows all the shares, (c) i has sent out its share earlier, (c) i reveals no useful information at a node v' with $\text{round}(v') > h + 1$, and (d) there exist players j and k such that, at v, i knows that all the other players but j and k have m shares and can prove this to j but does not, i knows that at the step immediately after v, j will have all m shares, and i considers it possible that, after v, k will not have all m shares and that j will not know that everyone other than j and k has m shares.

- If $m = 3$, let $(\mathcal{D}^h)_i'$ consist of all strategies for player i satisfying (a), (b) and (c) from the definition of $\mathcal{D}_i^h$, and also (d') there exist j and k such that, at v, all players know j and k's shares, and i can prove to j that all players besides j and k know j and k's shares, and either i considers it possible that j does not know that all players but j and k have m shares, and does not prove this to j, or i considers it possible that j has only two shares, and sends j a third share.

  If $m = n = 4$, let $(\mathcal{D}^h)_i'$, consist of all strategies for player i satisfying (a), (b) and (c) from the definition of $\mathcal{D}_i^h$, and also (d'') there exist players j, k, and l such that i can prove to j that i has all four shares, i knows

that l has all four shares and can prove to j that l has j and k's shares, i knows that j and k have each other's shares and that k has l's share, and either (i) i knows that j knows l's share or i sends l's share to j but does not prove to j that i knows all four shares and that l knows j and k's shares or (ii) i sends j i's share if it does not already know that j has i's share.

Otherwise, $(\mathcal{D}^h)'_i = \emptyset$.

Recall that $\mathcal{B}^h_i$ consists of all strategies for player i that reveal useful information at a node v with round$(v) = h$. Let $\mathcal{A}^1 = \cup^n_{i=1}\mathcal{A}^1_i$; $(\mathcal{A}^1)'$, $\mathcal{A}^2$, $(\mathcal{A}^2)'$, $\mathcal{A}^3$, $(\mathcal{A}^3)'$, $(\mathcal{A}^3)''$, $(\mathcal{A}^3)'''$, $\mathcal{B}^h, \mathcal{C}^h, \mathcal{D}^h$, and $(\mathcal{D}^h)'$, $h = 1, 2, \ldots$ are defined similarly. Let $\mathcal{E}^j = \mathcal{A}^j \cup (\mathcal{A}^j)' \cup \mathcal{B}^j \cup \mathcal{C}^{j+1} \cup \mathcal{D}^{j+1} \cup (\mathcal{D}^{j+1})'$ for $j = 1, 2$; let $\mathcal{E}^3 = \mathcal{A}^3 \cup (\mathcal{A}^3)' \cup (\mathcal{A}^3)'' \cup (\mathcal{A}^3)''' \cup \mathcal{B}^3 \cup \mathcal{C}^4 \cup \mathcal{D}^4 \cup (\mathcal{D}^4)'$; let $\mathcal{E}^4 = \mathcal{A}^4 \cup \mathcal{B}^4 \cup \mathcal{C}^5 \cup \mathcal{D}^5 \cup (\mathcal{D}^5)'$; let $\mathcal{E}^j = \mathcal{B}^j \cup \mathcal{C}^{j+1} \cup \mathcal{D}^{j+1}$ for $j \geq 5$.

PROPOSITION 3.1. *Let M be a mechanism for secret sharing. After k steps of iterated deletion, all the strategies in $\mathcal{E}^k$ have been deleted; moreover, no deterministic strategy not in $\mathcal{E}^1 \cup \mathcal{E}^2 \cup \ldots \cup \mathcal{E}^k$ has been deleted.*

Note that Proposition 3.1 provides a complete characterization of when deterministic strategies are deleted, but does not do so for randomized strategies. Knowing when deterministic strategies are deleted turns out to suffice to prove the result by induction. It immediately follows from Proposition 3.1 that there is no practical mechanism for secret sharing with a finite game tree: no strategy where any player sends her share survives more than N steps of iterated deletion, where N is a bound on the depth of the game tree.

If $m = n = 2$, all strategies where a player sends its share to another player must be in $\mathcal{A}^2$. Thus, the following is an immediate corollary to Proposition 3.1.

COROLLARY 3.1. *There is no practical mechanism for 2 out of 2 secret sharing (even with an infinite game tree).*

3.2 A Randomized Practical Mechanism for Secret Sharing

In light of Theorem 3.1, the only hope of getting a practical mechanism for secret sharing lies in using uncertainty about when the game will end to induce cooperation. We now present a randomized protocol for 3 out of 3 secret sharing, and then show how to extend it to m out of n secret sharing.

Suppose that players can toss coins in a way that everyone is forced to reveal their coin tosses after a round is over. Consider the mechanism whose suggested strategy is as follows: everyone tosses their coin, and is supposed to send their secret if their coin lands heads. In the next step, everyone reveals their coin. If everyone learns the secret, or if someone cheats (fails to send their share even though their coin was heads), then the game ends. Otherwise the issuer issues new shares of the secret (that is, uses a completely different polynomial and sends shares of that polynomial), and the process repeats.

Consider the incentives of a player that has tossed heads and is supposed to send its share. If it withholds its share in the last step it might be lucky, because it might happen that the other two players are also about to send their shares. Then it will learn the secret when the others do

not, which it considers the best possible outcome. However, if the others do not both send their shares but detect that the first player has cheated, they will stop the protocol and nobody will learn the secret. This is a worse outcome than the honest one for the cheater. This mechanism ensures that when a player is considering withholding its share when it ought to send it, the probability of getting caught but not learning the secret is high $(3/4)$, while the probability of learning the secret when no one else does is only $1/4$. As long as $\frac{1}{4}u_i$(only i learns the secret) $+ \frac{3}{4}u_i$(no one learns the secret) $< u_i$(everyone learns the secret), then player i will not be tempted to cheat. If player i's utilities do not satisfy this inequality, the probability of heads can be modified appropriately.

Unfortunately, this mechanism still has a problem: even if everyone is honest, there is a chance that one of the players might learn the secret when the others do not. If exactly two of the coins land heads, then the player who tossed tails will be able to reconstruct the secret, but the other two will not. The one who already knows the secret will certainly have no incentive to continue the game at that point! We solve this problem by tossing the coins in such a way that if exactly two players get heads, then no one learns the secret. We proceed as follows.

Call the players 1, 2, and 3.[2] For $i \in \{1, 2, 3\}$, let i^+ denote $i + 1$ except that 3^+ is 1; similarly i^- is $i - 1$ except that 1^- is 3. Consider the following protocol:

0. The issuer sends each player a signed share of the secret, using 3 out of 3 secret sharing.

1. Each player i chooses a bit c_i such that $c_i = 1$ has probability α and $c_i = 0$ has probability $1 - \alpha$, and a bit $c_{(i,+)}$ at random (so that 0 and 1 both have probability $1/2$). Let $c_{(i,-)} = c_i \oplus c_{(i,+)}$. Player i sends $c_{(i,+)}$ to i^+ and $c_{(i,-)}$ to i^-. Note that this means that i should receive $c_{(i^+,-)}$ from i^+ and $c_{(i^-,+)}$ from i^-.

2. Each player i sends $c_{(i^+,-)} \oplus c_i$ to i^-. Thus, i should receive $c_{((i^+)^+,-)} \oplus c_{i^+} = c_{(i^-,-)} \oplus c_{i^+}$ from i^+.

3. Each player i computes $p = c_{(i^-,+)} \oplus c_{(i^-,-)} \oplus c_{i^+} \oplus c_i = c_{i^-} \oplus c_{i^+} \oplus c_i = c_1 \oplus c_2 \oplus c_3$. If $p = c_i = 1$ then player i sends its signed share to the others.

4. If $p = 0$ and i received no secret shares, or if $p = 1$ and i received exactly one share (possibly from itself; that is, we allow the case that i did not receive any shares from other players but sent its own), the issuer is asked to restart the protocol; otherwise, i stops the protocol (either because it has all three shares or because someone must have been cheating).

If, at any stage, player i does not receive a bit from a player from whom it is supposed to receive a bit, it also stops the protocol.

Given a set of possible messages that each player can send at each point, this protocol determines a mechanism: there is an infinite game tree where, at each point, players send some messages that they are able to send; the recommended joint strategy is the protocol above. Call this mechanism $M(\alpha)$, where α is the probability of $c_i = 1$ at step 1 above.

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[2]Note that the secret issuer, player 0, is taken to be honest and is not part of the game.

THEOREM 3.2. *For all utility functions satisfying U1–U3, if $n \geq 3$, there exists an α^* such that $M(\alpha)$ is a practical mechanism for m out of n secret sharing for all $\alpha < \alpha^*$. Moreover, the expected running time of the recommended strategy in $M(\alpha)$ is $5/\alpha^3$.*

PROOF. (Sketch:) First consider the $m = n = 3$ case. Consider what happens if all the players follow the protocol. Player i sends its secret iff $c_i \oplus c_{i-} \oplus c_{i+} = 1$ and $c_i = 1$. This can happen only if $c_1 = c_2 = c_3 = 1$ or if $c_i = 1$ and $c_{i-} = c_{i+} = 0$. Thus, all the players send their shares (and learn the secret) iff $c_1 = c_2 = c_3 = 1$, which happens with probability α^3. If $c_i = 1$ and $c_{i-} = c_{i+} = 0$ (which happens with probability $\alpha(1-\alpha)^2$), player i sends its share of the secret but the other two players do not, so no one learns the secret. If $c_1 \oplus c_2 \oplus c_3 = 0$, then no player sends its share. Thus, either all players learn the secret, or no player does. Moreover, the protocol clearly has an expected running time of $5/\alpha^3$ rounds.

Does player i have an incentive to cheat at step 3, given that all the other players follow the protocol? The most obvious way that player i can cheat is by not sending its share when it should, that is, if $c_i = c_1 \oplus c_2 \oplus c_3 = 1$. Player i gains in this case if $c_{i+} = c_{i-} = 1$, which happens with conditional probability $\alpha^2/(\alpha^2 + (1-\alpha)^2)$, and loses if $c_{i+} = c_{i-} = 0$, which happens with conditional probability $(1-\alpha)^2/(\alpha^2 + (1-\alpha)^2)$. Note that nothing that player i can do can influence these probabilities, since each player j chooses its bit c_j independently. Thus, a rational player i will cheat only if

$$\begin{aligned} &\frac{\alpha^2}{\alpha^2+(1-\alpha)^2}u_i(\text{only } i \text{ learns the secret}) \\ &+ \frac{(1-\alpha)^2}{\alpha^2+(1-\alpha)^2}u_i(\text{no one learns the secret}) \\ > \quad &u_i(\text{everyone learns the secret}). \end{aligned} \qquad (1)$$

It follows from U1–U3 that

$$\begin{aligned} &u_i(\text{only } i \text{ learns the secret}) \\ > \quad &u_i(\text{everyone learns the secret}) \\ > \quad &u_i(\text{no one learns the secret}). \end{aligned} \qquad (2)$$

It is immediate from (2) that there exists some α^* such that, for all i and all $\alpha < \alpha^*$, (1) does not hold. Thus, if $\alpha < \alpha^*$, then no player has any incentive to cheat at step 3.

It is easy to check that each player has no incentive not to send bits as required in step 1 and 2, assuming that the other players are following the recommended strategy; this will simply cause the other players to stop playing. Suppose that the bits $c_{(i,+)}$ and $c_{(i,-)}$ that player i actually sends at step 1 are not the ones that it was supposed to send. This is easily seen to be equivalent to player i changing the distribution with which c_i and $c_{(i,+)}$ are chosen. Although this changes the probability that messages will be sent in step 3, it is easy to show that it does not affect the probabilities in (1). Thus, player i's expected utility does not change if player i changes the probabilities in step 1, so player i has no incentive to cheat at step 1 if all other players follow the recommended strategy. Finally, it is easy to show that player i will not cheat at step 2, since this just means that i^- may incorrectly compute $c_1 \oplus c_2 \oplus c_3$, which may cause the protocol to terminate with no one learning the secret, and will certainly not cause i to learn the secret, since at most one of the others will send its share. This argument

shows that the recommended protocol in $M(\alpha)$ is a Nash equilibrium for $\alpha < \alpha^*$.

To show that the recommended protocol survives iterated deletion of weakly-dominated strategies, consider strategies for player i that the following property:

(*) if there is nontrivial randomization at node v, then player i does not have all m shares and does not send out any shares.

Note that the protocol above satisfies (*), so it suffices to show that strategies satisfying (*) are not deleted. This is relatively straightforward, using the observation that, by Proposition 3.1, all deterministic strategies not in $\mathcal{E}^1 \cup \ldots \cup \mathcal{E}^4$ survive iterated deletion. (Note that, since the game here is infinite, $\mathcal{B}^h$ $\mathcal{C}^h$, $\mathcal{D}^h$, and $(\mathcal{D}^h)'$ are all empty in this case.) We leave details to the full paper.

This completes the argument for 3 out of 3 secret sharing. To do m out of n secret sharing for $m \geq 3$, $n > 3$, we simply partition the players into three groups, and designate m players such that each group has at least one of the m designated players. One of the designated players in each group is taken to be the leader. Each of the m designated players sends its share to its group leader. The three leaders then essentially use the mechanism sketched above, except that when they are supposed to send out their share, they send all the shares of their group to everyone. Finally, to do 2 out of n secret sharing for $n \geq 3$, the two players with shares partition their shares into $n-1$ subshares, and send the subshares to the other $n-1$ players, along with a zero knowledge proof that they have constructed the subshares honestly. Thus, the two players with the original shares will each have one subshare, while the other players will have two subshares. The players then do n out of n secret sharing, with the subshares being the secrets. $\square$

There is an important caveat to this result. The mechanism requires that each player (or the system designer) knows the other players' utility functions. This is necessary in order to choose the probability α appropriately. It actually is not critical that the players know the other players' utility function *exactly*. They just need to know enough about the utility function so as to choose an α sufficiently small so as to guarantee that (1) does not hold. In practice, this does not seem unreasonable.

4. MULTIPARTY FUNCTION COMPUTATION

As suggested in the introduction, the results for multiparty computation are similar in spirit to those for secret sharing. However, some new subtleties arise both in the impossibility result and the possibility result.

4.1 The Impossibility Result

The impossibility result for multiparty function computation is essentially a generalization of Theorem 3.1. However, we now no longer want to assume that there is an atomic secret such that a player's utility depends only on who gets the secret. Rather, we consider a class of problems where the players have some initial pieces of "information" and the mechanism itself defines a number of other pieces of information of interest. A player's utility again depends on which pieces of information it and all the other players have

at the end of the execution. Our impossibility result applies in particular to the special case of multiparty computation where the functionality required is the fair exchange of secrets; as far as we are aware, all available protocols for this problem have an upper bound on their running time, and therefore are not appropriate for selfish parties [2, 3, 7, 8, 9, 14].

More formally, assume that there are some pieces of information of interest, say $I_1, \ldots, I_M$. In the case of secret sharing, there is only one piece of information of interest, namely, the secret. In the case of multiparty function computation, the pieces of information of interest are each player's private information and the value of the function. A mechanism may define further pieces of information $I_{M+1}, \ldots, I_N$ of interest. For example, if the secret has b bits, one piece of information may be the first $b/2$ bits of the secret.

Given a path r in the game tree, we generalize the notation of Section 3.1 by letting $info(r)$ be the tuple $(\mathcal{I}_1, \ldots, \mathcal{I}_n)$, where $\mathcal{I}_i$ is the set of pieces of information that player i obtains in run r. Let $info_i(r) = \mathcal{I}_i$; thus, $info_i(r)$ is the information that i gets in r.

We assume that a player's utility function satisfies the following analogues of U1–U3:

V1. $u_i(r) = u_i(r')$ if $info(r) = info(r')$.

V2. If $info_i(r) \supseteq info_i(r')$, and $info_j(r) \subseteq info_j(r')$ for $j \neq i$, then $u_i(r) \geq u_i(r')$.

V3. If $i \neq j$, $info_j(r) \subset info_j(r')$, $info_{j'}(r) = info_{j'}(r')$ for $j' \neq j$, and $u_j(r) < u_j(r')$, then $u_i(r) > u_i(r')$.

V4. If $info_i(r_1) = info_i(r'_1)$, $info_i(r_2) = info_i(r'_2)$, $info_j(r_1) = info_j(r_2)$ for $j \neq i$, $info_j(r'_1) = info_j(r'_2)$ for $j \neq i$, and $u_i(r_1) < u_i(r_2)$, then $u_i(r'_1) < u_i(r'_2)$.

V1 is the obvious generalization of U1; it says that a player's utility depends only on the information that each of the players get. V2 says that player i is no worse off if he gets more information and the other players get less. V3 says that if getting more information makes j strictly better off, then j getting that information makes i worse off. Finally, V4 is an independence assumption. It says that whether or not i is better off with certain information is independent of what the other players have. In more detail, since all the players other than i have the same information in r_1 and r_2 and $u_i(r_1) < u_i(r_2)$, then i must be better off with the information he has in r_2 than the information he has in r_1. Since i has the same information in r'_2 as in r_2, and the same information in r'_1 as in r_1, and all other players have the same information in r'_1 and r'_2 (although that information may be different from what they had in r_1 and r_2), V4 says that i should also be better off in r'_2 than in r'_1. It is easy to check that if U1–U3 are satisfied for secret sharing (where the only piece of information of interest is the secret), then V1–V4 are too. We remark that when a player "has" a certain piece of information, there may actually be a small probability that this information is incorrect. Nevertheless, as long as the probability is low enough, V1–V4 seem reasonable.

With these assumptions, we can prove an analogue to Theorem 3.1 for secret sharing.

THEOREM 4.1. *If players' utilities satisfy V1–V4, then there is no practical mechanism* $(\Gamma, \vec{\sigma}^*)$ *for multiparty function computation such that Γ is finite, and using $\vec{\sigma}^*$, some player learns the function value.*

4.2 A Randomized Practical Mechanism for Multiparty Computation

In this section we focus on the special case of the framework in the previous section where the only pieces of information are $I_0, \ldots, I_n$, where I_0 is the value of the function and I_i is player i's private value, for $i = 1, \ldots, n$. For simplicity, we restrict attention to multiparty computation of Boolean functions.[3] We say that a run r is *admissible* if no player learns any other player's private information in r, and let $info_{i0}(r)$ be 0 or 1 depending on whether or not i learns the value of the function in r. We assume that the players' utility functions satisfy the following analogue of U2:

V5. If r and r' are admissible, $info_{i0}(r) = 1$ and $info_{i0}(r') = 0$, then $u_i(r) > u_i(r')$.

As we said in the introduction, it follows from Shoham and Tennenholtz's results [19] that only certain functions, which they call *non-cooperatively computable* (NCC), can be computed, even with a trusted party, because only for NCC functions do the players have an incentive to reveal their private inputs truthfully, if players' preferences satisfy V1–V5. Clearly if a function f is not NCC, then we cannot hope to compute its value with revealing private information in the absence of a trusted party. We now show that if it is in NCC, then we can compute its value.

THEOREM 4.2. *Assuming the existence of one-way 1-1 functions, if f is non-cooperatively computable, $n \geq 3$, and players' utilities satisfy V1–V5, then there is a (randomized) practical mechanism for computing f that runs in constant expected time.*

PROOF. The mechanism for multiparty computation combines ideas of the secret sharing mechanism in Section 3.2 and the multiparty function protocol of Goldreich, Micali, and Wigderson [13]. Goldreich [12, Section 7.3] provides a careful proof of the correctness of the protocol, against what he calls *semi-honest* or *passive* adversaries. In our context, this means that players are allowed to lie about their initial values, and are allowed to abort the protocol for any reason (including getting the value of the function, in the hopes that other players have not gotten the value), but all messages they send must be the ones that the protocol says they should send, given their claimed initial values. The key idea is to simulate the computation of a circuit for computing f, such that, at each stage of the protocol, the value of a node in the circuit is viewed as a secret, and all players have a share of that secret. Our protocol also uses this circuit simulation, but replaces the last step of secret sharing (where the players actually learn the value of the function) by the secret-sharing protocol from the practical mechanism given in Section 3.2. Goldreich then shows how to force semi-honest behavior, using zero-knowledge and bit-commitment protocols. We can employ the same techniques in our protocol to force semi-honest behavior; this is where we need the assumption that one-way 1-1 functions exist, just as Goldreich does.[4] While, as Goldreich points out, in his setting, we

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[3]We do this because the results we refer to, in particular [12, 19], consider only Boolean functions. We believe that we can extend to arbitrary functions with no difficulty, although we have not worked out the details.

[4]As we show in the full paper, we can actually simplify Goldreich's arguments given our assumption of rationality.

cannot force players to reveal their true input values, if f is NCC, then, by V5, it is to a player's benefit to reveal the true input value. Similarly, it is to the player's benefit not to abort the protocol.

The proof that this strategy is a Nash equilibrium and survives iterated deletion is similar to the argument given in the proof of Theorem 3.2, with the share issuer implemented by the multiparty computation protocol, and the zero-knowledge proofs acting in the same way as the signatures on shares. We omit details here. ☐

5. CONCLUSIONS

We have shown how to apply ideas of rationality to secret sharing and multiparty computation. This allows us to think of players as being rational, rather than "good" or "bad". For many applications of multiparty function computation, this seems like a far more reasonable approach. Many open problems remain, including the following:

- We have assumed that we are working in synchronous systems. We conjecture that in asynchronous systems there are no practical mechanisms for secret sharing or multiparty computation satisfying (some variant of) U1–U3, but have not yet proved this.

- We have focused on preferences that satisfy U1–U3. McGrew, Porter, and Shoham [16] characterize when multiparty computation is achievable with a trusted party under various other assumptions about players' preferences. We conjecture that it will continue to be the case that we can do multiparty computation without a trusted party whenever we can do it with a trusted party.

- We have concentrated on strategies that are Nash equilibria and survive iterated deletion of weakly-dominated strategies. What about other solution concepts? We note that our impossibility result (Theorem 3.1) does not hold for trembling hand equilibria, and therefore not for sequential or subgame perfect equilibria either.

- Our mechanism requires, not just knowing that the utilities satisfy U1–U3, but exactly what the utilities are. Is there a single mechanism (without a parameter α) that works for any utilities that satisfy U1–U3?

6. ACKNOWLEDGMENTS

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